



Entergy Arkansas, Inc.  
Regulatory Affairs  
425 West Capitol Avenue  
P O Box 551  
Little Rock, AR 72203-0551  
Tel 501 377 4000

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T.R.A. DOCKET ROOM

October 28, 2004

Mr Pat Miller, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re: Tennessee Regulatory Authority (TRA) Docket No. 03-00486  
Entergy Arkansas, Inc Request for Approval to Enter Into Certain  
Financing Transactions During the Years 2004 Through 2006

Dear Mr. Miller:

Pursuant to the approving Order issued October 31, 2003, in TRA Docket No. 03-00486, please find attached for filing with the TRA the original and thirteen copies of Entergy Arkansas, Inc 's compliance financing report filed October 28, 2004, with the Arkansas Public Service Commission in APSC Reporting Docket No. 86-033-A and APSC Docket No 03-139-U.

This report is in regard to EAI's October 12, 2004, issuance of \$60 million aggregate principal amount of First Mortgage Bonds.

If you have any questions or need additional information, please do not hesitate to call me at 501-377-5489

Sincerely,

A handwritten signature in cursive script, appearing to read "William R. Morgan".

William R Morgan  
Manager, Regulatory Affairs

WM/tj  
Attachments



ARK PUBLIC SERVICE COM.   
 DIANA WILSON   
 SECRETARY COMM.

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Entergy Arkansas, Inc.   
 425 West Capitol Avenue   
 P O Box 551   
 Little Rock, AR 72203-0551   
 Tel 501 377 4457   
 Fax 501 377 4415

FILED

Steven K Strickland   
 Vice President   
 Regulatory Affairs

October 28, 2004

Ms. Diana Wilson, Secretary   
 Arkansas Public Service Commission   
 P. O. Box 400   
 1000 Center Street   
 Little Rock, AR 72203-0400

Re: Originating Docket: 03-139-U   
 Report Docket: 86-033-A   
 Pursuant to Order No. 2   
 In the Matter of the Application of Entergy Arkansas, Inc.   
 for Authorization to Enter Into Certain Financing   
 Transactions During the Years 2004 Through 2006

Dear Ms. Wilson:

Please find attached the original and thirteen copies of Entergy Arkansas, Inc.'s report to the Commission in the above-styled proceedings regarding its October 12, 2004, issuance of \$60,000,000 aggregate principal amount of First Mortgage Bonds. This report is required under Order No. 2 in Docket No. 03-139-U.

Please file this letter and the attached report in the appropriate docket.

Sincerely,

SS/tj   
 Attachments

**ENTERGY ARKANSAS, INC.**

**ISSUANCE OF FIRST MORTGAGE BONDS:  
\$60,000,000 6.38% SERIES DUE NOVEMBER 1, 2034**

**EXECUTIVE SUMMARY**

**TRANSACTION ANALYSIS AND RESULTS**

On Tuesday, October 12, 2004, Entergy Arkansas, Inc. ("EAI"), issued \$60,000,000 aggregate principal amount of First Mortgage Bonds at an interest rate of 6.38%. The net proceeds will be used to redeem, prior to maturity, \$60million in aggregate liquidation preference of the 8.5% Cumulative Quarterly Income Preferred Securities, Series A, issued by Entergy Arkansas Capital I. First Mortgage Bonds proved to be the best method for financing due to lower pricing and better demand (as compared to unsecured debt) in the current market environment. The new bonds mature in thirty years and are callable at par after five years.

The net proceeds from the issuance were \$59,415,600 after deducting underwriting expenses. Additional expenses are estimated to be approximately \$270,000. Actual expenses will not be known for several months subsequent to closing.

**SUMMARY OF TERMS**

<u>Principal Amount:</u>	\$60,000,000
<u>Maturity Date:</u>	11/1/2034
<u>Optional Call Provisions:</u>	Make-whole call until 11/1/09, then callable at par
<u>Underwriters:</u>	Calyon and Citigroup (Joint Book-Runners) Stephens Inc. (Co-Managers)
<u>30 Year Treasury Yield @ Pricing:</u>	4.92%
<u>Spread to Treasury:</u>	1.46%
<u>Yield to Public:</u>	6.387%
<u>Coupon Rate:</u>	6.38%

SUMMARY OF TERMS (CONTINUED)

<u>Price to Public:</u>	99.901%
<u>Underwriters' Compensation:</u>	.875%
<u>Price to Company:</u>	99.026%
<u>Proceeds to Company:</u>	\$59,415,600

JOURNAL ENTRIES

Exhibit A shows journal entries related to the issuance of the new series of First Mortgage Bonds.

ENTERGY ARKANSAS, INC.  
ENTRIES TO RECORD THE ISSUANCE OF  
\$60,000,000 REVENUE REFUNDING BONDS

**Entry No. 1**

Cash	\$59,415,600	
Unamortized Debt Expense – FMB (Underwriting Fee)	\$525,000	
Unamortized Discount on Long Term Debt	\$59,400	
Long Term Debt – First Mortgage Bonds		\$60,000,000

To record the sale of \$60,000,000 principal amount of 6.38% Entergy Arkansas, Inc. First Mortgage Bonds, due November 1, 2034, and the related underwriting fee.

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**Entry No. 2**

Unamortized Debt Expense – FMB	\$*	
Cash		\$*

To record expenses in connection with the issuance of \$60,000,000 principal amount of 6.38% Entergy Arkansas, Inc. First Mortgage Bonds, due November 1, 2034 (\*Total expenses are estimated to be approximately \$270,000. Actual expenses will not be known for several months subsequent to closing.)

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**Entry No. 3**

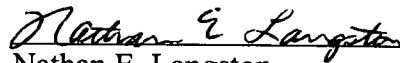
Amortization – Discount on Long Term Debt	\$1,980	
Unamortized Discount on Long Term Debt		\$1,980

To record the annual amortization of debt discount in connection with the issuance of \$60,000,000 principal amount of 6.38% Entergy Arkansas, Inc. First Mortgage Bonds, due November 1, 2034.

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ENTERGY ARKANSAS, INC

I, Nathan E. Langston, Vice President and Chief Accounting Officer, attest on this 27<sup>th</sup> day of October, 2004, that the journal entries attached as Exhibit A correctly reflect the effect of the sale on October 12, 2004 of \$60,000,000, 6.38% Entergy Arkansas, Inc. First Mortgage Bonds due November 1, 2034.



Nathan E. Langston

Senior Vice President and Chief Accounting Officer